GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:426
ANSWERED ON:19.02.2009
FILLIP TO TOURISM SECTOR
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Will the Minister of TOURISM be pleased to state:

(a) whether the tourism and hospitality sector's share in the Gross Domestic Product is 5.83 percent and its share in employment is 8.27 percent only;

(b) if so, the details thereof and the economic stimulus package sought by the Ministry to improve its performance;

(c) whether there is also any proposal to give infrastructure status to tourism sector;

(d) if so, the details thereof;

(e) the impact of global meltdown and terrorism on the Indian tourism industry; and

(f) the steps taken by the Government to bailout the tourism Industry?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF TOURISM AND CULTURE (SMT. KANTI SINGH)

(a): As per Tourism Satellite Account (TSA) for India,tourism contributed 5.83 percent of total Gross Domestic Product and 8.27 per cent of total employment in the country during 2002-03.

(b) to (d): Ministry of Tourism suggested the inclusion of following measures in the economic bailout package of the Government to overcome the crisis faced by the tourism sector:-
(i) Reduction in luxury tax,
(ii) Revival of Section 80 D HHD of Income Tax Act for tourism sector,
(iii) Reimbursement of Service Tax up to 90% (presently abatement up to 75%).
(iv) Increasing Floor Area Ratio (FAR) of hotels,
(v) De-linking hotel projects from commercial real estate projects.

(e) and (f): Although the number of Foreign Tourist Arrivals (FTAs) in India during 2008 at 5.37 million is higher than the FTAs of 5.08 million during 2007,the growth rate in FTAs during 2008 over 2007 is only 5.6% as compared to the growth rate of 14.3% in FTAs during 2007 over 2006.The lower growth rate in 2008 may be due to various reasons including the global financial meltdown and terrorist activities.

To increase the tourist inflow in the country,the Ministry of Tourism has announced various promotional schemes like Visit India Year 2009,liberalization of Marketing Development Assistance (MDA) scheme for overseas marketing, introduction of MDA scheme for the promotion of domestic and Meetings Incentives Conferences & Exhibitions (MICE) tourism.